



STRATEGIC SUPPLIER ALLIANCE CHARTER

The purpose of this Strategic Supplier Alliance (SSA) is to improve support to our Nation's warfighters through improved and effective sourcing strategies. The Department of Defense (DoD) and Parker Hannifin Corporation will collaborate to establish a SSA. This Alliance will be jointly sponsored and co-chaired by representatives of the undersigned to implement strategies for sharing information and working together, fully leveraging the capabilities of DoD and Parker.

To meet this objective, the undersigned hereby form a SSA with oversight provided by an Executive Committee to establish overall strategies. The Executive Committee shall establish a Joint Steering Group to direct the activities of the SSA and maintain the commitment and focus of the Alliance. Each activity will provide representation for their agency on the Joint Steering Group. The Joint Steering Group may establish Improvement Teams to address specific issues and processes for improvement.

The Defense Supply Center Richmond will serve as the Defense Logistics Agency lead, Oklahoma City Air Logistics Center as the Air Force Materiel Command lead, and the Customer Support Military Division as the Parker Hannifin Corporation lead for the Alliance. Other agencies of DoD may become signatories and participants in this Alliance. The parties to this agreement commit to providing the personnel and resources necessary to achieve the objectives of the Alliance.

Improved support to the warfighter will be achieved as follows, with appropriate milestones and measurements to demonstrate success:

- Improve supply availability
 - Reduce administrative burden
 - Control cost growth
- Improve communication and data sharing

The Executive Committee shall meet at least annually or as they so deem. The Joint Steering Group shall meet quarterly unless directed otherwise by the Executive Committee. The Joint Steering Group co-chairs will be responsible for identifying and inviting appropriate stakeholder representatives to meetings and for participation on Improvement Teams. Within sixty days after signature of this document, the Executive Committee and Joint Steering Group will be established.



Subject: Strategic Supplier Alliance Charter

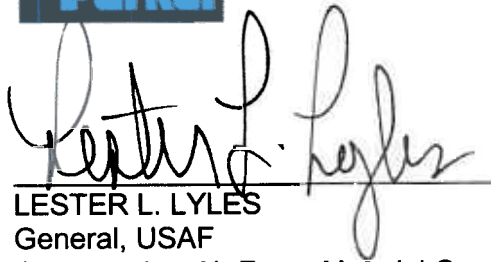
A handwritten signature in black ink, appearing to read "K. Lippert".

KEITH W. LIPPERT
Vice Admiral, SC, USN
Director, Defense Logistics Agency

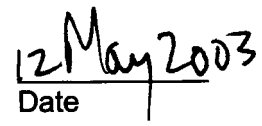
27 MAY 2003

Date



A handwritten signature in black ink, reading "Lester L. Lyles", written over a horizontal line.

LESTER L. LYLES
General, USAF
Commander, Air Force Materiel Command

A handwritten date in black ink, "12 May 2003", written over a horizontal line.

Date




ROBERT P. BARKER
President, Aerospace Group
Parker Hannifin Corporation


Date